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SUBJECT: BAHRAIN: POST SUPPORT FOR MEPI PROGRAM IMPLEMENTERS

REF: STATE 238836

11. (U) Post appreciates this opportunity to provide feedback on our experiences working with MEPI implementers. For the most part our experience has been positive, however, we would like to see better coordination on implementer travel including advance notice and contact information for those arranging logistics. Embassy Manama would also like to be better integrated into the process of selecting MEPI projects for approval, to include regular updates of what topics are discussed at inter-agency pillar specific meetings in Washington. As an example, we particularly appreciate the timeline of trade-related assistance provided by MEPI-Washington and suggest one be done for each pillar and be distributed to posts regularly. We look forward to working with the MEPI regional office in Abu Dhabi on these kinds of issues. Many of the challenges Embassy Manama faces in implementing MEPI programs are due to restrictions placed on the operation of both local and international NGOs by the GOB. Comments are keyed to questions in para 4 of Reftel.

Registration of Local Offices

- 12. (U) At present there are two MEPI-funded implementers that have established offices in Bahrain, the National Democratic Institute (NDI) and the American Bar Association (ABA). In the coming year we hope to have a resident representative from Junior Achievement and expect a representative from the Beyster Institute to head the BMENA entrepreneurship center for its first year. There are no MEPI-funded implementers in Bahrain under existing USAID or other bilateral agreements.
- 13. (U) Without a GOB mechanism for registering international NGOs, representatives from NDI and the ABA operate in Bahrain without being officially registered. In addition, the ban on the funding of any local NGO by a foreign government or international NGO further limits implementation. Both NDI and the ABA have developed unique mechanisms to cope with GOB restrictions, and we expect that post will have to work closely with the GOB and future MEPI implementers seeking to establish offices in the country to ensure they are able to operate effectively.
- 14. (U) NDI partners with local NGOs implementing its programs. NDI was originally in Bahrain at the behest and with the permission of the King's Court. NDI was later requested to register with the Ministry of Labor and Social Affairs (MOLSA). However, after a period of negotiation it became clear that NDI would be not be able to register with MOLSA as a local association and has begun to negotiate a Memorandum of Understanding (MOU) with the Ministry of Foreign Affairs. The MOU remains under review and until finalized NDI has been asked to refrain from scheduling any new activities. However, projects already underway are being implemented.
- 15. (U) The ABA, here at the behest and with the permission of the Minister of Justice, works within the Minister's office and keeps a low profile in order to avoid a request to register similar to that faced by NDI. In order to operate, the ABA also spent a considerable amount of time negotiating an MOU with the MOJ.

Significant Barriers

16. (U) Expat staff of MEPI implementers in Bahrain must qualify for an identity card. With an identity card an individual can rent housing and office space, get a phone and establish a bank account. In the past we have found that MEPI implementers, while not prohibited from obtaining an identity card, do face significant red tape. We understand that NDI has purchased liability coverage, but are not aware of any requirement that they do so.

Costs

17. (U) Post is not aware of local MEPI implementers being forced to pay higher costs than those imposed on local organizations. Bahrain is a tax-free environment and fees (municipal fees or commercial registration fees) tend to be

minimal.

Security Issues

18. (U) While visiting and locally resident MEPI implementers have expressed concern about the security situation in Bahrain, particularly after post went to authorized departure last summer, to date the RSO has nor received specific inquiries from implementers.

Use of Embassy Services

 $\P 9$. (U) To date there has been no request for commissary access or accommodation exchange.

Misrepresentation

 $\underline{\ \ }$ 110. (U) To our knowledge none of the MEPI implementers have presented themselves to the GOB as anything other than MEPI grantees. ZIADEH